

GOVERNMENT CODE

TITLE 10. GENERAL GOVERNMENT

SUBTITLE D. STATE PURCHASING AND GENERAL SERVICES

CHAPTER 2175. SURPLUS AND SALVAGE PROPERTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2175.001. DEFINITIONS. In this chapter:

(1) "Assistance organization" means:

(A) a nonprofit organization that provides educational, health, or human services or assistance to homeless individuals;

(B) a nonprofit food bank that solicits, warehouses, and redistributes edible but unmarketable food to an agency that feeds needy families and individuals;

(C) Texas Partners of the Americas, a registered agency with the Advisory Committee on Voluntary Foreign Aid, with the approval of the Partners of the Alliance office of the Agency for International Development;

(D) a group, including a faith-based group, that enters into a financial or nonfinancial agreement with a health or human services agency to provide services to that agency's clients;

(E) a local workforce development board created under Section [2308.253](#);

(F) a nonprofit organization approved by the Supreme Court of Texas that provides free legal services for low-income households in civil matters;

(G) the Texas Boll Weevil Eradication Foundation, Inc., or an entity designated by the commissioner of agriculture as the foundation's successor entity under Section [74.1011](#), Agriculture Code;

(H) a nonprofit computer bank that solicits, stores, refurbishes, and redistributes used computer equipment to public school students and their families; and

(I) a nonprofit organization that provides affordable housing.

(1-a) "Commission" means the Texas Facilities

Commission.

(2) "Personal property" includes:

(A) personal property lawfully confiscated and subject to disposal by a state agency; and

(B) personal property affixed to real property, if its removal and disposition is for a lawful purpose under this or another law.

(3) "Salvage property" means personal property that through use, time, or accident is so damaged, used, or consumed that it has no value for the purpose for which it was originally intended.

(4) "Surplus property" means personal property that exceeds a state agency's needs and is not required for the agency's foreseeable needs. The term includes used or new property that retains some usefulness for the purpose for which it was intended or for another purpose.

(5) "Data processing equipment" means equipment described by Section [2054.003](#)(3)(A).

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 1999, 76th Leg., ch. 419, Sec. 2, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1002, Sec. 1, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1004, Sec. 5, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, Sec. 11.01, eff. Jan. 1, 2002; Acts 2003, 78th Leg., ch. 908, Sec. 1, eff. June 20, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(a), eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 125 (H.B. [22](#)), Sec. 1, eff. May 24, 2005.

Acts 2007, 80th Leg., R.S., Ch. 937 (H.B. [3560](#)), Sec. 1.38, eff. September 1, 2007.

Sec. 2175.002. ADMINISTRATION OF CHAPTER. The commission is responsible for the disposal of surplus and salvage property of the state. The commission's surplus and salvage property division shall administer this chapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 29.03, eff. September 28, 2011.

Sec. 2175.004. CIVIL AIR PATROL; VOLUNTEER FIRE DEPARTMENTS. For purposes of this chapter:

(1) the Civil Air Patrol, Texas Wing, is considered a state agency having the authority to acquire surplus or salvage property; and

(2) a volunteer fire department is considered a political subdivision.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 1997, 75th Leg., ch. 127, Sec. 2, eff. May 19, 1997.

SUBCHAPTER B. COMMISSION POWERS AND DUTIES

Sec. 2175.061. RULES, FORMS, AND PROCEDURES. (a) The commission shall establish and maintain procedures for the transfer, sale, or disposal of surplus and salvage property as prescribed by law.

(b) Subject to Subsection (c), the commission may prescribe forms and reports necessary to administer this chapter and may adopt necessary rules, including rules governing the sale or transfer of surplus or salvage property to state agencies, political subdivisions, or assistance organizations.

(c) Subject to a risk assessment and to the legislative audit committee's approval of including the review in the audit plan under Section [321.013](#), the state auditor may review and comment on the forms and reports prescribed and the rules adopted by the commission under Subsection (b).

(d) The commission may by rule determine the best method of disposal for surplus and salvage property of the state under this chapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.28, eff. June 18, 2003; Acts 2003, 78th Leg., ch. 785, Sec. 38, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. [2018](#)), Sec. 23.001(41),

eff. September 1, 2005.

Sec. 2175.062. MAILING LIST; LIST OF PROSPECTIVE BUYERS.
The commission shall maintain:

(1) a mailing list, which it shall renew annually, of assistance organizations and individuals responsible for purchasing for political subdivisions who have requested information regarding available state surplus or salvage property; and

(2) a list of other prospective buyers of surplus and salvage property.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.063. MAXIMUM RETURN FROM DISPOSITION OF SURPLUS OR SALVAGE PROPERTY. (a) The commission shall attempt to realize the maximum benefit to the state in selling or disposing of surplus and salvage property.

(b) The commission may reject any or all offers for surplus or salvage property if it determines that rejection is in the state's best interests.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.064. COOPERATION IN EVALUATION AND ANALYSIS. (a) The commission shall cooperate with state agencies in an ongoing effort to evaluate surplus and salvage property to minimize loss resulting from accumulations of property.

(b) The commission shall cooperate with the state auditor in analyzing surplus and salvage property.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.065. DELEGATION OF AUTHORITY TO STATE AGENCY. (a) The commission may authorize a state agency to dispose of surplus or salvage property if the agency demonstrates to the commission its ability to dispose of the property under this chapter in a manner that results in cost savings to the state, under commission rules adopted under this chapter.

(b) The commission shall establish by rule the criteria for

determining that a delegation of authority to a state agency results in cost savings to the state.

(c) If property is disposed of under this section, the disposing state agency shall report the transaction to the commission. The report must include a description of the property disposed of, the reasons for disposal, the price paid for the property disposed of, and the recipient of the property disposed of.

(d) If the commission determines that a violation of a state law or rule has occurred based on the report under Subsection (c), the commission shall report the violation to the Legislative Budget Board.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.
Amended by Acts 2001, 77th Leg., ch. 1422, Sec. 11.02, eff. Jan. 1, 2002.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 29.04, eff. September 28, 2011.

SUBCHAPTER D. DISPOSITION OF SURPLUS OR SALVAGE PROPERTY

Sec. 2175.181. APPLICABILITY. (a) This subchapter applies to a state agency delegated the authority to dispose of surplus or salvage property under Section [2175.065](#).

(b) This subchapter does not apply to property that is to be donated under Section [2175.241](#).

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 29.06, eff. September 28, 2011.

Acts 2015, 84th Leg., R.S., Ch. 813 (H.B. [3439](#)), Sec. 1, eff. September 1, 2015.

Sec. 2175.182. STATE AGENCY TRANSFER OF PROPERTY. (a) A state agency that determines it has surplus or salvage property shall inform the commission of the property's kind, number,

location, condition, original cost or value, and date of acquisition. The commission may take physical possession of the property.

(b) Based on the condition of the property, the commission, in conjunction with the state agency, shall determine whether the property is:

(1) surplus property that should be offered for transfer under Section 2175.184 or sold to the public; or

(2) salvage property.

(c) Repealed by Acts 2015, 84th Leg., R.S., Ch. 812 , Sec. 9, eff. September 1, 2015.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.30, eff. June 18, 2003.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 29.07, eff. September 28, 2011.

Acts 2015, 84th Leg., R.S., Ch. 812 (H.B. 3438), Sec. 1, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 812 (H.B. 3438), Sec. 9, eff. September 1, 2015.

Sec. 2175.1825. ADVERTISING ON COMMISSION WEBSITE.

(a) After a state agency informs the commission that it has surplus or salvage property, the commission shall advertise the property's kind, number, location, and condition on the commission's website.

(b) The comptroller shall provide the commission access to all records in the state property accounting system related to surplus and salvage property.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 29.08, eff. September 28, 2011.

Acts 2015, 84th Leg., R.S., Ch. 812 (H.B. 3438), Sec. 2, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 812 (H.B. [3438](#)), Sec. 3, eff. September 1, 2015.

Sec. 2175.183. COMMISSION NOTICE TO OTHER ENTITIES. The commission shall inform other state agencies, political subdivisions, and assistance organizations of the commission's website that lists surplus property that is available for transfer. Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 29.09, eff. September 28, 2011.

Acts 2015, 84th Leg., R.S., Ch. 812 (H.B. [3438](#)), Sec. 4, eff. September 1, 2015.

Sec. 2175.184. TRANSFER. (a) During the 10 business days after the date the property is posted on the commission's website, a state agency, political subdivision, or assistance organization shall coordinate with the commission for a transfer of the property at a price established by the commission. A transfer to a state agency has priority over any other transfer during this period.

(b) A political subdivision or assistance organization may not lease, lend, bail, deconstruct, encumber, sell, trade, or otherwise dispose of property acquired under this section or acquired from a state agency under Section [2175.241](#) before the second anniversary of the date the property was acquired. A political subdivision or an assistance organization that violates this subsection shall remit to the commission the amount the political subdivision or assistance organization received from the lease, loan, bailment, deconstruction, encumbrance, sale, trade, or other disposition of the property unless the commission authorizes the action taken by the political subdivision or assistance organization with respect to the property.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 29.10,

eff. September 28, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 1153 (S.B. [211](#)), Sec. 21, eff. June 14, 2013.

Acts 2015, 84th Leg., R.S., Ch. 812 (H.B. [3438](#)), Sec. 5, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 812 (H.B. [3438](#)), Sec. 6, eff. September 1, 2015.

Sec. 2175.185. NOTICE OF TRANSFER TO COMPTROLLER; ADJUSTMENT OF APPROPRIATIONS AND PROPERTY ACCOUNTING RECORDS; REMOVAL FROM WEBSITE. (a) If property is transferred to a state agency under Section [2175.184](#), the participating agencies shall report the transaction to the comptroller.

(b) On receiving notice under this section, the comptroller shall, if necessary, adjust state property accounting records.

(c) The commission shall remove the property from the list of surplus property for sale on the commission's website on the date that the property is transferred.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.31, eff. June 18, 2003.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 812 (H.B. [3438](#)), Sec. 7, eff. September 1, 2015.

Sec. 2175.186. DISPOSITION BY COMPETITIVE BIDDING, AUCTION, OR DIRECT SALE. (a) If a disposition of a state agency's surplus property is not made under Section [2175.184](#), the commission shall sell the property by competitive bid, auction, or direct sale to the public, including a sale using an Internet auction site. The commission may contract with a private vendor to assist with the sale of the property.

(b) The commission shall determine which method of sale shall be used based on the method that is most advantageous to the state under the circumstances. The commission shall adopt rules establishing guidelines for making that determination.

(c) In using an Internet auction site to sell surplus

property under this section, the commission shall post the property on the site for at least 10 days.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 29.11, eff. September 28, 2011.

Sec. 2175.187. DISPOSITION BY DIRECT SALE TO PUBLIC. (a) If the commission determines that selling the property by competitive bid or auction, including a sale using an Internet auction site, would not maximize the resale value of the property to the state, the commission may sell surplus property directly to the public.

(b) The commission shall set a fixed price for the property in cooperation with the state agency that owns the property.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Sec. 2175.188. PURCHASER'S FEE. (a) For property that is sold under Section 2175.186 or 2175.187, the commission shall collect a fee from the purchaser.

(b) The commission shall set the fee at an amount that is:

(1) sufficient to recover costs associated with the sale; and

(2) at least two percent but not more than 12 percent of sale proceeds.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Sec. 2175.189. ADVERTISEMENT OF SALE. If the value of an item or a lot of property to be sold is estimated to be more than \$25,000, the commission shall advertise the sale at least once in at least one newspaper of general circulation in the vicinity in which the property is located.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 29.12, eff. September 28, 2011.

Sec. 2175.190. REPORTING SALE; PROPERTY ACCOUNTING ADJUSTMENT. (a) On the sale by the commission of surplus or salvage property, the commission shall report the property sold and the sale price to the state agency that owned the property and to the comptroller.

(b) If property reported under this section is on the state property accounting system, the comptroller shall remove the property from the property accounting records.

(c) The commission by rule may establish a procedure that allows a participating state agency to receive a return on small value items through the transfer of similar items.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 812 (H.B. [3438](#)), Sec. 8, eff. September 1, 2015.

Sec. 2175.191. PROCEEDS OF SALE. (a) Proceeds from the sale of surplus or salvage property, less the cost of advertising the sale, the cost of selling the surplus or salvage property, including the cost of auctioneer services or assistance from a private vendor, and the amount of the fee collected under Section [2175.188](#), shall be deposited to the credit of the general revenue fund of the state treasury.

(b) Repealed by Acts 2003, 78th Leg., ch. 309, Sec. 7.37.

(c) Proceeds from the sale of surplus and salvage property of the Texas Department of Transportation relating to the department's duties under Chapter [2205](#) shall be deposited to the credit of the department.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.32, 7.37, eff. June 18, 2003.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 29.13, eff. September 28, 2011.

Acts 2017, 85th Leg., R.S., Ch. 533 (S.B. 312), Sec. 56, eff. September 1, 2017.

Sec. 2175.192. PURCHASER'S TITLE. A purchaser of surplus property at a sale conducted under Section 2175.186 or 2175.187 obtains good title to the property if the purchaser has in good faith complied with:

(1) the conditions of the sale; and

(2) applicable commission rules.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Sec. 2175.193. CONTRACTS FOR DESTRUCTION OF PROPERTY. The commission shall contract for the disposal of property under Subchapter E in a manner that maximizes value to the state.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

SUBCHAPTER E. DESTRUCTION OR DONATION OF SURPLUS OR SALVAGE PROPERTY

Sec. 2175.241. DESTRUCTION OR DONATION OF SURPLUS OR SALVAGE PROPERTY. (a) If the commission cannot otherwise sell or dispose of property in accordance with this chapter, has determined that the property has no resale value, or has determined that the state will sufficiently benefit from donating the property, the property may be:

(1) destroyed as worthless salvage; or

(2) donated to an assistance organization or a local governmental entity.

(b) A state agency may only donate surplus or salvage property under this chapter that could be resold if the agency notifies the commission and provides sufficient information for the commission to be able to confirm the benefit to the state.

(c) The commission may charge the assistance organization

or local governmental entity that receives the donation an amount sufficient to cover the costs associated with the donation, not to exceed 10 percent of the item's market value.

(d) A state agency that donates property under this section is responsible for notifying the comptroller of the donation and any benefit received that must be reported.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 1997, 75th Leg., ch. 127, Sec. 8, eff. May 19, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 125 (H.B. 22), Sec. 3, eff. May 24, 2005.

Acts 2015, 84th Leg., R.S., Ch. 813 (H.B. 3439), Sec. 2, eff. September 1, 2015.

Sec. 2175.242. REMOVAL OF DESTROYED OR DONATED PROPERTY FROM STATE PROPERTY ACCOUNTING RECORDS. (a) On destruction or donation of property under this subchapter, the comptroller may remove the property from the state property accounting records.

(b) Authorization by the commission is not required for the deletion of salvage or donated items of another state agency from the state property accounting records.

(c) This subchapter does not affect Section 403.273, which provides for the deletion from state property accounting records of a state agency's missing property.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 1997, 75th Leg., ch. 127, Sec. 9, eff. May 19, 1997;

Acts 2001, 77th Leg., ch. 1158, Sec. 59, eff. June 15, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 125 (H.B. 22), Sec. 4, eff. May 24, 2005.

Acts 2005, 79th Leg., Ch. 125 (H.B. 22), Sec. 5, eff. May 24, 2005.

Acts 2015, 84th Leg., R.S., Ch. 813 (H.B. 3439), Sec. 3, eff. September 1, 2015.

SUBCHAPTER F. EXCEPTIONS

Sec. 2175.301. SURPLUS PROPERTY OF LEGISLATURE. (a) This chapter does not apply to disposition of surplus property by either house of the legislature under a disposition system provided by rules of the administration committee of each house.

(b) If surplus property of either house of the legislature is sold, proceeds of the sale shall be deposited in the state treasury to the credit of that house's appropriation.

(c) An agency in the legislative branch shall dispose of its surplus or salvage property under a disposition system established by the agency. This chapter does not apply to the agency's disposition of its surplus or salvage property under that system. That system shall give preference to transferring the property directly to, in order of priority:

- (1) a public school;
- (2) another public governmental agency; or
- (3) an assistance organization.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 1997, 75th Leg., ch. 266, Sec. 1, eff. May 26, 1997.

Sec. 2175.302. EXCEPTION FOR ELEEMOSYNARY INSTITUTIONS. Except as provided by Section [2175.905\(b\)](#), this chapter does not apply to the disposition of surplus or salvage property by a state eleemosynary institution.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 1999, 76th Leg., ch. 274, Sec. 1, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 419, Sec. 4, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1281, Sec. 1, eff. Sept. 1, 1999; Acts 2003, 78th Leg., ch. 1276, Sec. 9020(i), eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 29.14, eff. September 28, 2011.

Sec. 2175.303. EXCEPTION FOR CERTAIN PRODUCTS. This chapter does not apply to disposition of:

- (1) a product or by-product of research, forestry, agriculture, livestock, or an industrial enterprise; or
- (2) certain recyclable materials, including paper,

cardboard, aluminum cans, plastics, glass, one-use pallets, used tires, used oil, and scrap metal, when the disposition is not in the best interest of the state or economically feasible.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 1997, 75th Leg., ch. 127, Sec. 10, eff. May 19, 1997.

Sec. 2175.304. EXCEPTION FOR INSTITUTIONS OF HIGHER EDUCATION. (a) This chapter does not apply to the disposition of surplus or salvage property of a university system or of an institution or agency of higher education except as provided by this section.

(b) The governing board of each university system or institution or agency of higher education included within the definition of "state agency" under Section [2151.002](#) shall establish written procedures for the disposition of surplus or salvage property of the system, institution, or agency. The procedures shall allow for the direct transfer of materials or equipment that can be used for instructional purposes to a public school or school district, or an assistance organization designated by the school district, at a price or for other consideration to which the system, institution, or agency and the public school or school district or the assistance organization agree or for no consideration as the system, institution, or agency determines appropriate.

(c) The procedures established under Subsection (b) must give preference to transferring the property directly to a public school or school district or to an assistance organization designated by the school district before disposing of the property in another manner. If more than one public school or school district or assistance organization seeks to acquire the same property on substantially the same terms, the system, institution, or agency shall give preference to a public school that is considered low-performing by the commissioner of education or to a school district that has a taxable wealth per student that entitles the district to an allotment of state funds under Subchapter E, Chapter [48](#), Education Code, or to the assistance organization designated by such a school district.

(d) A university system or institution or agency of higher education may donate to an assistance organization any surplus or salvage property that:

- (1) is not disposed of under Subsection (b); and
- (2) has no resale value.

(e) Notwithstanding Subsections (b) and (c), a university system or institution or agency of higher education included within the definition of "state agency" under Section 2151.002 may donate data processing equipment that is surplus or salvage property to a public or private hospital located in a rural county. For purposes of this subsection, "rural county" has the meaning assigned by Section 487.301.

(f) Section 2175.908 applies to a university system or institution or agency of higher education included within the definition of "state agency" under Section 2151.002.

Added by Acts 1999, 76th Leg., ch. 274, Sec. 2, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1281, Sec. 2, eff. Sept. 1, 1999. Amended by Acts 2003, 78th Leg., ch. 908, Sec. 3, eff. June 20, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 125 (H.B. 22), Sec. 6, eff. May 24, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 364 (S.B. 74), Sec. 1, eff. June 17, 2011.

Acts 2015, 84th Leg., R.S., Ch. 274 (H.B. 473), Sec. 2, eff. September 1, 2015.

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 3.083, eff. September 1, 2019.

Sec. 2175.305. EXCEPTION FOR SECRETARY OF STATE. This chapter does not apply to the disposition of surplus computer equipment by the secretary of state. The secretary of state shall give preference to transferring the property to counties for the purpose of improving voter registration technology and complying with Section 18.063, Election Code.

Added by Acts 2001, 77th Leg., ch. 1178, Sec. 6, eff. Jan. 1, 2002.

Sec. 2175.306. EXCEPTION FOR CERTAIN AGENCIES. This

chapter does not apply to the disposition of surplus computer equipment by a state agency involved in the areas of health, human services, or education, except for an agency to which Section 2175.304 applies. Those agencies shall give preference to transferring the property to a public school, school district, or assistance organization specified by the school district.

Added by Acts 2003, 78th Leg., ch. 908, Sec. 4, eff. June 20, 2003.

Sec. 2175.307. EXCEPTION FOR OFFICE OF COURT ADMINISTRATION. This chapter does not apply to the disposition of surplus computer equipment by the Office of Court Administration of the Texas Judicial System. The office shall give preference to transferring the equipment to a local or state governmental entity in the judicial branch of local or state government.

Added by Acts 2007, 80th Leg., R.S., Ch. 73 (H.B. 368), Sec. 2, eff. September 1, 2007.

Sec. 2175.308. EXCEPTION FOR CERTAIN PROPERTY OF DEPARTMENT OF PUBLIC SAFETY. (a) Notwithstanding any conflicting provision of this chapter, if the commission determines that this state's efforts to secure this state's international border and combat transnational crime will sufficiently benefit from the donation of the surplus motor vehicles and other law enforcement equipment of the Department of Public Safety of the State of Texas to a municipal or county law enforcement agency in an economically disadvantaged area of this state, the commission may transfer the property to the agency at a price or for other consideration agreed to by the commission and the agency.

(b) A law enforcement agency that receives surplus property under Subsection (a) may not sell the property before the second anniversary of the date the property is received.

Added by Acts 2015, 84th Leg., R.S., Ch. 677 (H.B. 229), Sec. 1, eff. September 1, 2015.

SUBCHAPTER G. FEDERAL SURPLUS PROPERTY

Sec. 2175.361. DEFINITIONS. In this subchapter:

(1) "Federal act" means the Federal Property and Administrative Services Act of 1949 (40 U.S.C. Section 541 et seq.), as amended, or any other federal law providing for the disposal of federal surplus property.

(2) "Federal property" means federal surplus property acquired:

(A) by the commission or under the commission's jurisdiction under this subchapter; and

(B) under 40 U.S.C. Section 483c, 549, or 550, or under any other federal law providing for the disposal of federal surplus property.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.
Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.33, eff. June 18, 2003.

Sec. 2175.362. DESIGNATED AGENCY; SEPARATE AND INDEPENDENT OPERATION OF FEDERAL SURPLUS PROPERTY PROGRAM. (a) The commission is the designated state agency under 40 U.S.C. Section 549 and any other federal law providing for the disposal of federal surplus property.

(b) Except for the sharing of support functions with other divisions, the federal surplus property program shall operate independently of the rest of the commission.

(c) The administrative offices of the federal surplus property program may be located in a building separate from the location of other commission offices.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.
Amended by Acts 1997, 75th Leg., ch. 127, Sec. 11, eff. May 19, 1997; Acts 2003, 78th Leg., ch. 309, Sec. 7.34, eff. June 18, 2003.

Sec. 2175.363. ACQUISITION, WAREHOUSING, AND DISTRIBUTION OF FEDERAL PROPERTY. (a) The commission may acquire and warehouse federal property allocated to the commission under the federal act and distribute the property to an entity or institution that meets the eligibility qualifications for the property under the federal act.

(b) The commission shall establish and maintain procedures

to implement this section.

(c) The commission is not required to comply with the provisions of this chapter that relate to the disposition of surplus state agency property in acquiring, warehousing, and distributing federal surplus property under this chapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.364. COMMISSION ASSISTANCE IN PROCUREMENT AND USE OF PROPERTY. The commission may:

(1) disseminate information and assist a potential applicant regarding the availability of federal real property;

(2) assist in the processing of an application for acquisition of federal real property and related personal property under 40 U.S.C. Section 550 or any other federal law providing for the disposal of federal surplus property;

(3) act as an information clearinghouse for an entity that may be eligible to acquire federal property and, as necessary, assist the entity to obtain federal property;

(4) assist in assuring use of the property; and

(5) engage in an activity relating to the use of federal property by another state agency, institution, or organization engaging in or receiving assistance under a federal program.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.35, eff. June 18, 2003.

Sec. 2175.365. STATE PLAN OF OPERATION; COMPLIANCE WITH MINIMUM FEDERAL STANDARDS. The commission shall:

(1) file a state plan of operation that complies with federal law and operate in accordance with the plan;

(2) take necessary action to meet the minimum standards for a state agency in accordance with the federal act; and

(3) cooperate to the fullest extent consistent with this subchapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.366. ADMINISTRATIVE FUNCTIONS; COMPLIANCE WITH FEDERAL REQUIREMENTS. The commission may:

(1) make the necessary certifications and undertake necessary action, including an investigation;

(2) make expenditures or reports that may be required by federal law or regulation or that are otherwise necessary to provide for the proper and efficient management of its functions under this subchapter;

(3) provide information and reports relating to its activities under this subchapter that may be required by a federal agency or department; and

(4) adopt rules necessary for the efficient operation of its activities under this subchapter or as may be required by federal law or regulation.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.367. CONTRACTS. The commission may enter into an agreement, including:

(1) a cooperative agreement with a federal agency under 40 U.S.C. Section 549 or any other federal law providing for the disposal of federal surplus property;

(2) an agreement with a state agency for surplus property of a state agency that will promote the administration of the commission's functions under this subchapter; or

(3) an agreement with a group or association of state agencies for surplus property that will promote the administration of the commission's functions under this subchapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.36, eff. June 18, 2003.

Sec. 2175.368. ACQUISITION OR IMPROVEMENT OF PROPERTY; RENT PAYMENTS. The commission may:

(1) acquire and hold title or make capital improvements to federal real property in accordance with Section [2175.369](#); or

(2) make an advance payment of rent for a distribution center, an office space, or another facility that is required to accomplish the commission's functions under this subchapter.
Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.369. CHARGES. (a) The commission may collect a service charge for the commission's acquisition, warehousing, distribution, or transfer of federal property.

(b) The commission may not collect a charge for federal real property in an amount that is greater than the reasonable administrative cost the commission incurs in transferring the property.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.370. FEDERAL SURPLUS PROPERTY SERVICE CHARGE FUND. (a) The commission shall deposit a charge collected under Section [2175.369](#) in the state treasury to the credit of the federal surplus property service charge fund.

(b) Income earned on money in the federal surplus property service charge fund shall be credited to that fund.

(c) Money in the federal surplus property service charge fund may be used only to accomplish the commission's functions under this subchapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.
Amended by Acts 1997, 75th Leg., ch. 127, Sec. 12, eff. May 19, 1997.

Sec. 2175.371. ADVISORY BOARDS AND COMMITTEES. The commission may appoint advisory boards and committees necessary and suitable to administer this subchapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.372. PERSONNEL. (a) The commission may employ, compensate, and prescribe the duties of personnel, other than members of advisory boards and committees, necessary and suitable to administer this subchapter.

(b) The commission may fill a personnel position only with

an individual selected and appointed on a nonpartisan merit basis.
Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

Sec. 2175.901. PURCHASE OF CHAIRS BY CERTAIN STATE OFFICERS AND AGENCY HEADS. (a) Notwithstanding other law, on vacating an office or terminating employment, an elected or appointed state officer or an executive head of a state agency in the legislative, executive, or judicial branch of state government may purchase for fair market value the chair used by the officer or employee during the person's period of state service.

(b) The fair market value of a chair shall be determined:

(1) for an executive agency or a legislative agency other than the legislature, by the commission;

(2) for a judicial agency, by the chief justice of the supreme court;

(3) for the house of representatives, by the speaker of the house of representatives; and

(4) for the senate, by the lieutenant governor.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.902. MANDATORY PAPER RECYCLING PROGRAM. (a) The commission shall establish a mandatory recycling program for a state agency that occupies a building under its control. By rule, the commission shall:

(1) establish guidelines and procedures for collecting and recycling of paper;

(2) set recycling goals and performance measures;

(3) require state agencies to designate a recycling coordinator;

(4) provide employee and custodial education and training;

(5) provide feedback and recognition to state agencies when appropriate; and

(6) inform state agencies when proper recycling methods are not used.

(b) If the commission finds that a state agency's recycling program meets or exceeds the standards created under Subsection (a), the commission may delegate its responsibility under this section to a state agency located in a building under its control.

(c) The commission or a state agency with delegated responsibility under Subsection (b) shall sell the paper for recycling to the highest bidder.

(d) The commission may enter into an interagency agreement to provide recycling services to a state agency otherwise excluded from the program.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.
Amended by Acts 1997, 75th Leg., ch. 127, Sec. 13, eff. May 19, 1997; Acts 2001, 77th Leg., ch. 1422, Sec. 12.01, eff. Sept. 1, 2001.

Sec. 2175.903. PROPERTY USED AS TRADE-IN. A state agency may offer surplus or salvage property as a trade-in on new property of the same general type if the exchange is in the state's best interests.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.904. DISPOSAL OF GAMBLING EQUIPMENT. (a) The commission shall establish a program for the sale of gambling equipment received from a municipality, from a commissioners court under Section [263.152](#)(a)(5), Local Government Code, or from a state agency under this chapter.

(b) The commission may sell gambling equipment only to a person that the commission determines is a bona fide holder of a license or other authorization to sell, lease, or otherwise provide gambling equipment to others or to operate gambling equipment issued by an agency in another state or in a foreign jurisdiction where it is lawful for the person to possess gambling equipment for the intended purpose.

(c) Proceeds from the sale of gambling equipment from a municipality or commissioners court, less the costs of the sale, including costs of advertising, storage, shipping, and auctioneer or broker services, and the amount of the fee collected under

Section 2175.188, shall be divided according to an agreement between the commission and the municipality or commissioners court that provided the equipment for sale. The agreement must provide that:

(1) not less than 50 percent of the net proceeds be remitted to the commissioners court; and

(2) the remainder of the net proceeds retained by the commission be deposited to the credit of the general revenue fund.

(d) Proceeds from the sale of gambling equipment from a state agency, less the costs of the sale, including costs of advertising, storage, shipping, and auctioneer or broker services, and the amount of the fee collected under Section 2175.188, shall be deposited to the credit of the general revenue fund of the state treasury.

Added by Acts 2007, 80th Leg., R.S., Ch. 1233 (H.B. 2462), Sec. 1, eff. June 15, 2007.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 29.15, eff. September 28, 2011.

Sec. 2175.905. DISPOSITION OF DATA PROCESSING EQUIPMENT.

(a) If a disposition of a state agency's surplus or salvage data processing equipment is not made under Section 2175.184, the state agency shall transfer the equipment to:

(1) a school district or open-enrollment charter school in this state under Subchapter C, Chapter 32, Education Code;

(2) an assistance organization specified by the school district; or

(3) the Texas Department of Criminal Justice.

(b) If a disposition of the surplus or salvage data processing equipment of a state eleemosynary institution or an institution or agency of higher education is not made under other law, the institution or agency shall transfer the equipment to:

(1) a school district or open-enrollment charter school in this state under Subchapter C, Chapter 32, Education Code;

(2) an assistance organization specified by the school district; or

(3) the Texas Department of Criminal Justice.

(c) The state eleemosynary institution or institution or agency of higher education or other state agency may not collect a fee or other reimbursement from the district, the school, the assistance organization, or the Texas Department of Criminal Justice for the surplus or salvage data processing equipment transferred under this section.

(d) An assistance organization may not lease, lend, bail, deconstruct, encumber, sell, trade, or otherwise dispose of data processing equipment acquired under this section. The assistance organization may dispose of the equipment only by transferring the equipment to the school district that specified the assistance organization for transfer under this section.

Added by Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 29.16, eff. September 28, 2011.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1153 (S.B. 211), Sec. 22, eff. June 14, 2013.

Sec. 2175.906. ABOLISHED AGENCIES. On abolition of a state agency, in accordance with Chapter 325, the commission shall take custody of all of the agency's property or other assets as surplus property unless other law or the legislature designates another appropriate governmental entity to take custody of the property or assets.

Added by Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 29.16, eff. September 28, 2011.

Sec. 2175.907. DISPOSAL OF COMPUTER EQUIPMENT BY CHARITABLE ORGANIZATION. (a) In this section:

(1) "Computer equipment" includes computers, telecommunications devices and systems, automated information systems, and peripheral devices and hardware that are necessary to the efficient installation and operation of that equipment, but does not include computer software.

(2) "Charitable organization" has the meaning assigned by Section 84.003, Civil Practice and Remedies Code.

(b) Except as provided by Subsections (c) and (d), a charitable organization that expends funds received from the state, whether by appropriation, grant, or otherwise, to purchase computer equipment may not dispose of or discard the equipment before the fourth anniversary of the date the organization purchased the equipment.

(c) This section does not prohibit:

(1) the sale or trade of computer equipment; or

(2) the disposal of equipment that is not operational.

(d) A charitable organization may dispose of computer equipment purchased with state funds within the four-year period after the date of purchase by donating the equipment to another charitable organization.

(e) This section applies only to computer equipment that a charitable organization purchases for at least \$500.

(f) The comptroller shall adopt rules to implement this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 19.024(a), eff. September 1, 2015.

Sec. 2175.908. SALE OR TRANSFER OF LAW ENFORCEMENT VEHICLE.

(a) Except as provided by Subsection (b), the commission or another state agency, including an agency delegated the authority to dispose of surplus or salvage property under Section 2175.065, may not sell or transfer a marked patrol car or other law enforcement motor vehicle to the public unless the state agency first removes any equipment or insignia that could mislead a reasonable person to believe that the vehicle is a law enforcement motor vehicle, including any police light, siren, amber warning light, spotlight, grill light, antenna, emblem, outline of an emblem, and emergency vehicle equipment.

(b) The commission or another state agency, including an agency delegated the authority to dispose of surplus or salvage property under Section 2175.065, may not sell or transfer a marked patrol car or other law enforcement motor vehicle to a security

services contractor who is regulated by the Department of Public Safety and licensed under Chapter [1702](#), Occupations Code, unless each emblem or insignia that identifies the vehicle as a law enforcement motor vehicle is removed before the sale or transfer. Added by Acts 2015, 84th Leg., R.S., Ch. 274 (H.B. [473](#)), Sec. 1, eff. September 1, 2015.

Sec. 2175.909. SALE OF CERTAIN HISTORIC PROPERTY; PROCEEDS OF SALE. (a) In this section, "qualifying collection" means an archeological, architectural, archival, decorative, or fine arts collection.

(b) This section applies only to a state agency:

(1) that maintains a qualifying collection;

(2) that is authorized to dispose of surplus or salvage property under Section [2175.065](#); and

(3) the governing body of which has adopted a written policy governing the care and preservation of the qualifying collection, including procedures relating to the deaccession of an item from the collection.

(c) The state agency may deaccession an item from the agency's qualifying collection if the governing body determines that deaccession of the item is appropriate under the agency's written policy governing the care and preservation of the collection.

(d) A state agency and the Texas Facilities Commission may sell a deaccessioned item in the manner provided by Subchapter D. Before the sale of the item, the Texas Facilities Commission must verify that the state agency's governing body complied with Subsection (c).

(e) Notwithstanding Section [2175.191](#), proceeds from the sale of the deaccessioned item by a state agency shall be deposited to the credit of a dedicated account in the general revenue fund in the manner prescribed by Subsection (f).

(f) The comptroller shall separately account for the amount of money deposited to the credit of the account under Subsection (e) resulting from the sale of deaccessioned items by each state agency. Money deposited to the credit of the account may be

appropriated only to the state agency for which the comptroller deposited the money to the account for the care and preservation of the agency's qualifying collection.

Added by Acts 2019, 86th Leg., R.S., Ch. 178 (H.B. [1422](#)), Sec. 9, eff. September 1, 2019.